

# Exhibit H

**In The Matter Of:**

***FEDERAL HOUSING FINANCE AGENCY, ETC.***

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***JOSEPH PAUL NORRIS - Vol. 1***

***July 10, 2013***

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**MERRILL CORPORATION**

**LegalLink, Inc.**

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

Plaintiff,  
vs. 11 Civ. 5201 (DLC)

UBS AMERICAS, INC., et al.,  
Defendants.

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

Plaintiff,  
vs. 11 Civ. 6188 (DLC)

JPMORGAN CHASE & CO., et al.,  
Defendants.

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

Plaintiff,  
vs. 11 Civ. 6189 (DLC)

HSBC NORTH AMERICA HOLDINGS,  
INC., et al.,

Defendants.

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

Plaintiff,  
vs. 11 Civ. 6190 (DLC)

BARCLAYS BANK PLC, et al.,  
Defendants.

-----x

WITNESS: JOSEPH PAUL NORRIS

DATE: July 10, 2013

1  
2 -----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,  
3  
Plaintiff,  
4  
vs. 11 Civ. 6192 (DLC)  
5  
DEUTSCHE BANK AG, et al.,  
6  
Defendants.  
7 -----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,  
8  
Plaintiff,  
9  
vs. 11 Civ. 6193 (DLC)  
10  
FIRST HORIZON NATIONAL CORP., et al.,  
11  
Defendants.  
12 -----x  
FEDERAL HOUSING FINANCE AGENCY, etc.  
13  
Plaintiff,  
14  
vs. 11 Civ. 6195 (DLC)  
15  
BANK OF AMERICA CORP., et al.,  
16  
Defendants.  
17 -----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,  
18  
Plaintiff,  
19  
vs. 11 Civ. 6198 (DLC)  
20  
GOLDMAN, SACHS & CO., et al.,  
21  
Defendants.  
22 -----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,  
23  
Plaintiff,  
vs. 11 Civ. 6200 (DLC)  
24  
CREDIT SUISSE HOLDINGS (USA), INC.,  
et al.,  
25  
Defendants.

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-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

3

Plaintiff,

4

vs. 11 Civ. 6201 (DLC)

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NOMURA HOLDING AMERICA,  
INC., et al.,

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7

Defendants.

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-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

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Plaintiff,

10

Vs. 11 Civ. 6202 (DLC)

11

MERRILL LYNCH & CO., INC., et al.,

12

Defendants.

13

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,

14

Plaintiff,

15

vs. 11 Civ. 6203 (DLC)

16

SG AMERICAS, INC., et al.,

17

Defendants.

18

-----x  
FEDERAL HOUSING FINANCE AGENCY, etc.,  
Plaintiff,

19

vs. 11 Civ. 6739 (DLC)

20

MORGAN STANLEY, et al.,

21

Defendants.

22

-----x

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2

IN THE UNITED STATES DISTRICT COURT

3

DISTRICT OF CONNECTICUT

-----x

4

FEDERAL HOUSING FINANCE AGENCY, etc.,

5

Plaintiff,

6

vs.

Case No.

3:11-cv-01383-AWT

THE ROYAL BANK OF SCOTLAND

7

GROUP PLC, et al.,

8

Defendants.

-----x

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VOLUME 1

11

12

13

July 10, 2013

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15

9:16 a.m.

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Videotaped deposition of JOSEPH

19

PAUL NORRIS, pursuant to notice, held at

20

the offices of Skadden Arps Slate Meagher

21

& Flom LLP, Four Times Square, New York,

22

New York, before Gail F. Schorr, a

23

Certified Shorthand Reporter, Certified

24

Realtime Reporter and Notary Public

25

within and for the State of New York.

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2 could access?

3 A. It did.

4 Q. And do you recall what any of  
5 those were?

6 A. Certainly I do, but none of  
7 them applied to Fannie Mae.

8 Q. Would you expect for any  
9 particular deal if Fannie Mae used or  
10 relied on a Bloomberg calculation in  
11 deciding to buy a deal that the Bloomberg  
12 calculation would be reflected somewhere  
13 in the deal file?

14 MR. COREY: Objection; form.

15 A. Generally I would assume that,  
16 yes.

17 Q. The collateral sheet that's  
18 described in here, is that what you  
19 described earlier as the 12 or so page  
20 document from the dealer?

21 A. Yes.

22 Q. And then what are the  
23 computational materials-marketing  
24 materials described here?

25 A. To me, they're all synonymous.

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2 Different dealers called them different  
3 things. And materials were not always  
4 the same.

5 Q. But this is information  
6 received from dealers?

7 A. That is correct.

8 Q. And was any of it generated  
9 internally at Fannie Mae?

10 A. No.

11 Q. Step 4.1.11 says "The  
12 nonagency mortgage trader negotiates  
13 trade terms with the proposed dealer  
14 including an acceptable pricing level for  
15 the transaction."

16 In addition to pricing, what  
17 trade terms would Fannie Mae typically  
18 negotiate with dealers?

19 A. We briefly talked about  
20 structure and credit enhancement, as well  
21 as loans backing the pool. Those would  
22 be important things that we would  
23 negotiate with the dealer.

24 Q. Let's talk about negotiating  
25 loans backing the pool. What was Fannie



1 JOSEPH PAUL NORRIS

2 Mae looking for when it was negotiating  
3 which loans would be in the collateral  
4 pool supporting its certificate?

5 MR. COREY: Objection; form.

6 A. We were looking for the best  
7 quality loans at the best possible price  
8 with the highest concentration of housing  
9 goals that would prepay the fastest.

10 Q. So would you at times ask for  
11 loans to be added to the collateral pool?

12 A. No. I mean we had the whole  
13 collateral pool was ours to carve out.

14 Q. So you would ask for loans  
15 that you didn't like to be eliminated  
16 from the pool?

17 A. Never individual loans.  
18 Again, we couldn't see individual loans.  
19 What we could see is a cross-section of  
20 characteristics that we wanted removed  
21 from the pool. For example, if we said  
22 that the concentration in the pool had  
23 too many cash-out refis with high FICO  
24 second liens, we would want 10 percent of  
25 that removed, and that's how we would

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2 determine it. And that would be  
3 determined through the computational  
4 materials. So we'd look at the  
5 computational materials, and I'd probably  
6 circle in there things that I liked or  
7 didn't like and then asked them to remove  
8 that percentage of the pool that was  
9 backed by these loans. These like say  
10 three characteristics.

11 Q. Then was your understanding  
12 that those loans would go into collateral  
13 pools backing other pieces of the bond?

14 MR. COREY: Objection; form.

15 A. Yes.

16 Q. So how did you determine which  
17 loans you would want removed because they  
18 were detrimental to housing goals?

19 MR. COREY: Same objection.

20 A. Say that again.

21 Q. I think you testified earlier  
22 that you would ask for loans that were  
23 negative to housing goals to be excluded  
24 from the collateral pool backing the  
25 Fannie Mae certificates, correct?

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2 A. That's correct.

3 Q. How did you determine which  
4 loans those were?

5 A. Those were, again, run by the  
6 data warehouse on the single family side  
7 of the business.

8 Q. So they would present to you a  
9 report identifying the loans that you  
10 should ask to have kicked out?

11 A. Never the loans. They would,  
12 they would communicate with the dealer  
13 and send the tape back to them is my  
14 recollection.

15 Q. Who was it on the single  
16 family side who dealt with dealers on  
17 this, do you know?

18 A. I don't recall.

19 Q. Did you have guidelines that  
20 you followed regarding, for example, the  
21 minimum number of, or minimum percentage  
22 of accretive, goals accretive loans that  
23 should be in each pool?

24 A. No.

25 Q. Your job was to just maximize